

# TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Specialty Brands, L.P.		12/06/2004	LIMITED PARTNERSHIP: DELAWARE
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	JPMorgan Chase Bank, N.A., as Administrative Agent		
<b>Street Address:</b>	P.O. Box 2558		
<b>City:</b>	Houston		
<b>State/Country:</b>	TEXAS		
<b>Postal Code:</b>	77252		
<b>Entity Type:</b>	National banking association:		
<b>PROPERTY NUMBERS Total: 59</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	2230869	BUTCHER BOY	
Registration Number:	1125687	BAR-B-Q-SNAK	
Registration Number:	2380023	BRC	
Registration Number:	2226325	BUTCHER BOY	
Registration Number:	806433	BUTCHER BOY	
Registration Number:	927829	CISCO'S	
Registration Number:	1261065		
Registration Number:	788236	FFF	
Registration Number:	1290352	FRED'S PAK-2	
Registration Number:	2540959	FRED'S FOR STARTERS	
Registration Number:	2242867	GET A GRIP ON TASTE	
Registration Number:	2636034	GREAT FOOD WITH AN ACCENT!	
Registration Number:	2815624	HOTZZARELLA	
Registration Number:	1326248	IMPERIAL KITCHENS	

**TRADEMARK**

**REEL: 002998 FRAME: 0940**

**OP \$1490.00 2230869**

Registration Number:	2510986	JOSE OLE
Registration Number:	2628945	JOSE OLE
Registration Number:	2334467	LITTLE JUAN
Registration Number:	1593266	LITTLE JUAN
Registration Number:	866509	LITTLE JUAN
Registration Number:	897472	M
Registration Number:	1799560	M-A-R-Q-U-E-Z
Registration Number:	2228882	MARQUEZ
Registration Number:	2427450	MEXI-MINIS
Registration Number:	2304740	MEXTREME
Registration Number:	2304732	MEXTREME
Registration Number:	2133201	PACIFIC TORTILLA KITCHEN
Registration Number:	2228939	PACIFIC TORTILLA KITCHEN
Registration Number:	2179393	PIZZAQUITOS
Registration Number:	1133424	PIZZA-SNAK
Registration Number:	2230826	POSADA
Registration Number:	1293083	POSADA
Registration Number:	1374956	POSADA
Registration Number:	1656388	POSADA
Registration Number:	1776006	POSADA DELI-FEST
Registration Number:	2192041	PTK
Registration Number:	2193374	PTK
Registration Number:	2143228	RIO POSADA
Registration Number:	2142920	ROTANELLI'S
Registration Number:	2187412	ROTANELLI'S ORIGINALE
Registration Number:	2228938	ROTANELLI'S ORIGINALE
Registration Number:	2187417	ROTANELLI'S SIGNATURA
Registration Number:	1662620	ROTANELLI'S VALORE
Registration Number:	1090116	TACO-SNAK
Registration Number:	2417812	THE GREAT FOLDINI
Registration Number:	2841229	TORTILLA CRISPERS
Serial Number:	75887481	FIESTA BITES
Serial Number:	76087547	FIESTA MINIS
Serial Number:	76439158	MAC & CHEESE BITES
Serial Number:	76439159	MAC & CHEESE BITES

Serial Number:	76562936	GOLDEN VALUE
Serial Number:	76558150	GRILLQUITO
Serial Number:	76570881	BIG N' SPICY
Serial Number:	76570883	TASTE THE FIESTA
Serial Number:	76572690	FIRE-GRILLED FIESTA
Serial Number:	76581801	THAITILLA
Serial Number:	76582268	BLAZIN' FIRE RINGS
Serial Number:	76604651	JOSÉ OLÉ TEXAS TAQUITOS
Serial Number:	76608586	OVER-STUFFED TEXAS TAQUITOS
Serial Number:	76585238	TASTE THE FIESTA! JOSÉ OLÉ

#### CORRESPONDENCE DATA

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*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
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 Email: LLevy@stblaw.com  
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 Address Line 2: 425 Lexington Avenue  
 Address Line 4: New York, NEW YORK 10017

NAME OF SUBMITTER:	Mark Solomon
Signature:	/ms/
Date:	12/29/2004

#### Total Attachments: 29

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**SECURITY AGREEMENT**

THIS SECURITY AGREEMENT (as from time to time amended, modified, supplemented or extended, this "Agreement"), dated as of December 6, 2004, is made by each of the signatories hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of **JPMORGAN CHASE BANK, N.A.**, a national banking association, in its capacity as Administrative Agent ("Secured Party") on behalf of (i) the lenders parties to the Credit Agreement, as hereinafter defined ("Lenders") and (ii) the other Beneficiaries (as such term is defined in the Credit Agreement).

**RECITALS**

A. As of even date herewith, Windsor Quality Holdings LP, a Delaware limited partnership ("Holdings"), Windsor Quality Food Company Ltd., a Texas limited partnership (the "Borrower"), Secured Party and Lenders have executed a Credit Agreement (such agreement, as may from time to time be amended or supplemented, being hereinafter called the "Credit Agreement") pursuant to which, upon the terms and conditions stated therein, Lenders have agreed to make loans to and extend credit on behalf of the Borrower (collectively, the "Loans").

B. The Lenders have conditioned their obligations under the Credit Agreement upon the execution and delivery by the Grantors of this Agreement, and the Grantors have agreed to enter into this Agreement.

**NOW, THEREFORE**, in consideration of the premises and in order to induce the Lenders to enter into and extend credit under the Credit Agreement and to induce the other Beneficiaries to extend credit to the Borrower, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Grantor, each Grantor hereby agrees as follows:

**Section 1. Defined Terms; Interpretation****1.01. Defined Terms**

(a) Those initial capitalized terms and phrases used in this Agreement but not defined in this Agreement shall have the meanings ascribed to such terms in the Credit Agreement.

(b) Unless otherwise defined in this Agreement or in the Loan Documents, as applicable, terms defined in Article 9 of the UCC are used in this Agreement as defined in Article 9 of the UCC.

(c) As used in this Agreement, the following terms shall have the following meanings:

"Agreement" has the meaning specified in the introduction hereof.

"Borrower" has the meaning specified in paragraph A of the Recitals hereof.

"Collateral" means all of the following property, whether now owned or existing or hereafter acquired or arising and regardless of where located: (i) Equipment; (ii) Inventory; (iii) Receivables; (iv) Related Contracts; (v) all cash, cash equivalents, all bank and deposit accounts and deposits (including any demand, time, savings, passbook or similar account maintained with a bank), all letter-of-credit rights

(as defined in the UCC), any commercial tort claim (as defined in the UCC) specified in Exhibit H, and to the extent assignable or transferable by such Grantor, all computer programs and all supporting information provided in connection with a transaction relating to such programs, all computer programs embedded in tangible personal property and any supporting information provided in connection with such tangible personal property if (A) the program is associated with the tangible personal property in such a manner that it customarily is considered part of the tangible personal property or (B) by becoming the owner of the tangible personal property, a Person acquires a right to use the program in connection with the tangible personal property; (vi) notwithstanding the fact that Patents may be included in the definition of Receivables, all Patents; (vii) notwithstanding the fact that Trademarks may be included in the definition of Receivables, all Trademarks; (viii) notwithstanding the fact that the Copyrights may be included in the definition of Receivables, all Copyrights; (ix) notwithstanding the fact that the Trademark Licenses may be included in the definition of Receivables, all Trademark Licenses; (x) fixtures (as defined in the UCC); (xi) Investment Property; (xii) all books and records pertaining to the Collateral and (xiii) all Proceeds, supporting obligations (as defined in the UCC) and products of or substitutions for all or any of the Collateral described in the aforementioned Clauses (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi) and (xii); *provided* that, if the granting of a security interest in or Lien on any specific item of the Collateral described in any of the aforementioned Clauses (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii) and (xiii) is restricted or prohibited (a "Restriction") by, or would cause a breach or default under or termination, avoidance or forfeiture, or right of termination, avoidance or forfeiture (a "Remedy"), of, any contract, license, law or regulation, then the security interest or Lien created hereby is ineffective with respect to such specific item of Collateral, except that the granting of such security interest in or Lien on such specific item of the Collateral nonetheless remains effective to the extent (i) the granting of such security interest or Lien is allowed by such contract, license, law or regulation or (ii) such Restriction or Remedy is rendered ineffective under the UCC or any other applicable law.

"Copyrights" means all copyrights and rights and interests in copyrights and works protectable by copyright and all renewals and extensions thereof, and all copyright registrations and applications for registration of any such copyrights in the United States of America or any other country, in each case to which any Grantor has title, including, without limitation, (1) all copyrights, distribution rights, licenses, and any other rights or interests in copyrights in the works listed on Exhibit E attached hereto and made a part hereof, (2) all works based upon, incorporated in, derived from, incorporating or relating to all works covered by copyright, and (3) all tangible property embodying the copyrights or such copyrights materials.

"Credit Agreement" has the meaning specified in paragraph A of the Recitals hereof.

"Equipment" means all "equipment" (as defined in the UCC) wherever located, now or hereafter existing and all parts thereof and all accessions thereto.

"Foreign Subsidiary" means any Subsidiary organized under the laws of any jurisdiction outside the United States of America.

"Foreign Subsidiary Voting Stock" means the voting Capital Securities of any Foreign Subsidiary.

"Grantors" has the meaning specified in the introduction hereof.

"Guarantors" means the collective reference to each Grantor other than the Borrower.

"Guarantor Obligations" means with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with the Guaranty Agreement or any other Loan

Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to Secured Party or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of the Guaranty Agreement or any other Loan Document).

“Guaranty Agreement” means the Guaranty Agreement, dated as of December 6, 2004, made by each of the entities that are signatories thereto, in favor of JPMorgan Chase Bank, N.A., as administrative agent.

“Holdings” has the meaning specified in paragraph A of the Recitals hereof.

“Intercompany Note” means any promissory note evidencing loans made by any Grantor to Holdings or any of its Subsidiaries.

“Inventory” means all “inventory” (as defined in the UCC) in all of its forms, wherever located, now or hereafter existing and whether acquired by purchase, merger or otherwise, including, without limitation, (a) all goods held for sale or lease or to be furnished under contracts of service or so leased or furnished and (b) all raw materials, work in process, all finished goods and all materials and supplies used, consumed or to be used or consumed in the manufacture, packing, shipping, advertising, selling, leasing or production of such inventory, including (whether or not included in such UCC definition) goods in which any Grantor has an interest in mass or joint or other interest or right of any kind and goods that are returned to or repossessed by any Grantor and all accessions thereto and products thereof and all documents of title therefor.

“Investment Property” means the collective reference to (i) all “investment property” as such term is defined in the UCC (other than any Foreign Subsidiary Voting Stock excluded from the definition of “Pledged Stock”) and (ii) whether or not constituting “investment property” as so defined, all Pledged Notes and all Pledged Stock.

“Lender” has the meaning specified in the introduction hereof.

“Loans” has the meaning specified in paragraph A of the Recitals hereof.

“Obligations” has the meaning specified in the Credit Agreement.

“Obligor” means each Grantor and any other Person that has or will have any liability (actual or contingent) and whether alone or jointly with any other Person and whether as principal debtor, guarantor or surety or otherwise (or as the equivalent obligor under the laws of any jurisdiction) to Secured Party for the payment or repayment of any amounts outstanding or capable of becoming outstanding under the Loan Documents.

“Other Obligor” means the Obligors other than the Grantors.

“Patents” means all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or any other country, including all national and multinational statutory invention registrations, patents (including letters patent, patent registrations and patent applications and any other patents which may issue on such application) in each case to which any Grantor has title, including all those listed in Exhibit F attached hereto and made a part hereof, and including all reissues, continuations or extensions thereof and all rights therein provided by law, multinational treaties or conventions.

“Pledged Notes” means all promissory notes listed on Exhibit B, all Intercompany Notes at any time issued to any Grantor and all other promissory notes issued to or held by any Grantor (other than promissory notes issued in connection with extensions of trade credit by any Grantor in the ordinary course of business).

“Pledged Stock” means the Capital Securities listed on Exhibit B, together with any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Capital Securities of any Person that may be issued or granted to, or held by, any Grantor while this Agreement is in effect; provided that in no event shall more than 66% of the total outstanding Foreign Subsidiary Voting Stock of any Foreign Subsidiary be required to be pledged hereunder.

“Proceeds” means all proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, Collateral, including all claims of any Grantor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

“Receivables” means all “accounts”, “chattel paper”, “instruments”, “documents”, “general intangibles” (including “payment intangibles”) (as each such term is defined in the UCC) and other obligations owed to any Grantor of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and whether or not evidenced by a written agreement, and all rights now or hereafter existing in and to all security agreements, leases, and other contracts including supporting obligations (as such term is defined in the UCC) (all such written or unwritten agreements, security agreements, leases and other contracts, including all supporting obligations, being the “Related Contracts”), securing or otherwise relating to any such accounts, chattel paper, instruments, documents, general intangibles or other obligations.

“Related Contracts” has the meaning specified in the definition of “Receivables” under this Section 1.01.

“Secured Obligations” means the Obligations and the Guarantor Obligations.

“Secured Party” has the meaning specified in the introduction hereof.

“Security Interests” means the security interests granted in accordance with Section 3, as well as all other security interests created or assigned as additional Collateral for the Secured Obligations in accordance with the provisions of this Agreement.

“Trademarks” means all trademarks, trade names, service marks, trade dress, logos, including all good will associated therewith, whether or not registered, all registrations and recordings thereof, and all applications in connection therewith, including registrations and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country throughout the world or any political subdivision thereof, in each case registered in the name of any Grantor or to which any Grantor has title, including all those listed in Exhibit G-1 attached hereto and made a part hereof, and including all reissues, extensions or renewals thereof, and all written agreements granting any right to use any trademark or trademark registration and all rights therein provided by multinational treaties or conventions.

“Trademark Licenses” means to the extent permitted under any license or other agreement, all license agreements with any other Person entered into in connection with any Trademarks or such other



Person's trademarks or trademark registrations or applications, whether any Grantor is a licensor or licensee under any such license agreement, including, without limitation, the license agreements listed on Exhibit G-2 attached hereto and made a part hereof and all tangible property covered by any of the licenses.

"UCC" means the Uniform Commercial Code in effect from time to time in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such perfection or effect of perfection or non-perfection.

#### 1.02. Interpretation

(a) In this Agreement, unless a clear contrary intention appears, the following shall apply: (i) the singular number includes the plural number and vice versa; (ii) reference to each gender includes the other gender; (iii) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision; (iv) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually, *provided* that nothing in this Clause (iv) of Section 1.02(a) is intended to authorize any assignment not otherwise permitted by this Agreement or the Credit Agreement; (v) reference to any agreement (including this Agreement), document or instrument means such agreement, document or instrument as amended, modified, supplemented or extended and in effect from time to time in accordance with the terms thereof and, if applicable, the terms of this Agreement, and reference to any note includes any note issued in renewal, rearrangement, reinstatement, enlargement, amendment, modification, extension, substitution or replacement for such note; (vi) unless the context indicates otherwise, reference to any Section, Clause, paragraph, Schedule or Exhibit means such Section, Clause or paragraph of this Agreement or such Schedule or Exhibit to this Agreement; (vii) the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term; the word "or" is not exclusive; and the word "all" includes "and" and the word "any" includes "all"; (viii) with respect to the determination of any period of time, the word "from" means "from and including" and the word "to" means "to but excluding"; and (ix) reference to any law, ordinance, statute, code, rule, regulation, interpretation or judgment means such law, ordinance, statute, code, rule, regulation, interpretation or judgment as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time.

(b) The Section and other headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

(c) No provision of this Agreement shall be interpreted or construed against any Person solely because that Person or its legal representative drafted such provision.

## **Section 2. Representations and Warranties**

Each Grantor represents and warrants as follows:

(a) The exact legal name of such Grantor, as the legal name appears in such Grantor's articles of organization as of the date of this Agreement, is specified on Exhibit D.

(b) The chief executive office of such Grantor is located at the address specified on Exhibit D.

(c) Except for Inventory or Equipment leased or stored in warehouses or Inventory in transit, in each case in the ordinary course of such Grantor's business, such Grantor has exclusive possession and control of the Equipment and Inventory. For each vehicle owned by such Grantor that is subject to a certificate of title law of any State, such Grantor agrees to deliver the certificate of title to Secured Party upon reasonable request.

(d) The office where such Grantor keeps its records concerning the Receivables, and all originals of all chattel paper which evidence Receivables, is located at the address of such Grantor specified on Exhibit D.

(e) Such Grantor owns the Collateral free and clear of any lien, security interest, charge or encumbrance except for the Excepted Liens and other Liens permitted by the Credit Agreement. To such Grantor's knowledge, no effective financing statement or other instrument similar in effect covering all or any part of the Collateral naming such Grantor as debtor is on file in any recording office, except such as may have been filed relating to Excepted Liens and other Liens permitted by the Credit Agreement.

(f) Subject to the required actions and filings described in Section 2(g), this Agreement creates a valid and perfected first priority security interest in the Collateral (except with respect to Excepted Liens and other Liens permitted by the Credit Agreement), to the extent such Collateral constitutes collateral in which a security interest may be created under the UCC and perfected by the filing of a financing statement, securing the payment of the Secured Obligations.

(g) No authorization, approval, filing or other action by, and no notice to or filing with, any Governmental Authority is required either (i) for the grant by such Grantor of the Security Interests granted hereby or for the execution or delivery of this Agreement by such Grantor or (ii) for the perfection of or the exercise by (except with respect to intellectual property to the extent prohibited by any Governmental Authority) Secured Party of its rights and remedies under this Agreement, other than (A) the filing of a UCC-1 financing statement in the offices specified on Exhibit C, (B) with respect to fixtures, the filing of a UCC-1 financing statement as a fixture filing in each location where such Debtor owns or leases real property, (C) the filing of notices of security interests with the U.S. Patent and Trademark Office and the U.S. Copyright Office, as applicable, and (D) with respect to any vehicle that has a certificate of title, complying with the applicable certificate of title laws of the applicable State.

(h) All Inventory has been manufactured and produced in compliance with the Fair Labor Standards Act, 29 U.S.C. § 215(a) (1982), as from time to time amended, except as would not reasonably be expected to have a Material Adverse Effect.

(i) Such Grantor is "located" (as such term is used in Section 9-307 of the UCC) in its jurisdiction of organization as specified on Exhibit D.

(j) Exhibit E of this Agreement lists all Copyrights, if any, of such Grantor, Exhibit F to this Agreement lists all Patents, if any, of such Grantor, and Exhibit G-1 lists all Trademarks, if any, of such Grantor, and Exhibit G-2 lists all Trademark Licenses, if any, of such Grantor.

(k) The notice address and the organizational identification number of such Grantor is specified on Exhibit A.

### **Section 3. The Security Interests**

(a) In order to secure the full and punctual payment of the Obligations in accordance with the terms of the Loan Documents, the Borrower hereby grants and assigns to Secured Party a continuing security interest in and to all right, title and interest of the Borrower in the Collateral.

(b) In order to secure the full and punctual payment of the Guarantor Obligations in accordance with the terms of the Loan Documents, each Guarantor hereby grants and assigns to Secured Party a continuing security interest in and to all right, title and interest of such Guarantor in the Collateral.

(c) The Security Interests are granted as security only and shall not subject Secured Party, nor any of the Lenders, to, or transfer or in any way affect or modify, any obligation or liability of any Grantor with respect to any of the Collateral or any transaction in connection therewith.

(d) The inclusion of Proceeds in this Agreement does not authorize the Disposition by any Grantor of any Collateral in any manner prohibited by this Agreement or by the Credit Agreement or other Loan Documents.

(e) The inclusion of Proceeds in this Agreement shall not prevent any Grantor from using the proceeds of any insurance paid in respect of any Collateral to the extent such use is not prohibited by the Credit Agreement or any of other Loan Documents.

(f) To the extent any of the proceeds of the Loans are used to purchase Collateral, the repayment of the Loans shall apply on a "first-in, first-out" basis so that the portion of the Loans used to purchase a particular item of Collateral shall be paid in the chronological order that each Grantor purchased the Collateral.

### **Section 4. Covenants: Further Assurances**

(a) Each Grantor will maintain (i) the location of its chief executive office and (ii) the location where such Grantor keeps or holds records relating to the Collateral at (A) the address of such Grantor provided on Exhibit D, (B) at locations upon which Secured Party has a lien pursuant to a deed of trust, mortgage or similar instrument, or (C) at other locations within other States if, prior to such relocation, such Grantor shall have given Secured Party not less than thirty (30) days' notice thereof.

(b) Until the Secured Obligations (other than Specified Obligations) are paid in full and the Commitments terminated, each Grantor agrees that such Grantor will (i) not change the state of such Grantor's organization; and (ii) not change such Grantor's name or identity in any manner, unless such Grantor shall have given Secured Party not less than thirty (30) days prior notice thereof.

(c) Each Grantor hereby authorizes Secured Party to file or to execute and file, as applicable, financing statements or continuation statements without such Grantor's signature appearing thereon. Each Grantor authorizes Secured Party to use the collateral description "all assets" in any such financing statements. To the extent permitted by applicable law, each Grantor agrees that a carbon, photographic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement and may be filed in any jurisdiction. Each Grantor shall pay the costs of, including out-of-pocket costs incidental to, any recording or filing of this Agreement, or any financing or continuation statements concerning the Collateral.

(d) Except for Inventory and Equipment leased in the ordinary course of each Grantor's business, Inventory in transit and Inventory and Equipment stored in warehouses in the

ordinary course of business, such Grantor will maintain possession of the Collateral at all times, unless otherwise expressly provided by this Agreement or the other Loan Documents or unless Secured Party elects to perfect in any such Collateral by possession of the Collateral itself in addition to the filing of a financing statement or this Agreement.

(e) If any Inventory having a value in excess of \$50,000 is at any time (except for Inventory in transit or temporary absence for repairs or improvements thereto) located on property leased by any Grantor or in the possession or control of any warehouseman, bailee or any of such Grantor's agents or processors, such Grantor shall (i) notify Secured Party and such landlord, warehouseman, bailee, agent or processor of the Security Interests created hereby and, at the request of Secured Party, use reasonable commercial efforts (at minimal cost) to obtain lien waivers or lien subordinations, in form and substance reasonably satisfactory to Secured Party, from the landlord of any such leased property and any such warehouseman, bailee, agent or processor in possession of any such Collateral, and (ii), at the request of Secured Party after an Event of Default, instruct any such landlord, warehouseman, bailee, agent or processor to hold all such Collateral for the account of Secured Party subject to Secured Party's instructions; provided, however, that notwithstanding anything to the contrary herein, Secured Party shall not deliver any instructions to any such landlord, warehousemen, bailee, agent or processor with respect to the Collateral unless an Event of Default has occurred and is continuing.

(f) Each Grantor shall keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as Secured Party may reasonably request to reflect the Security Interests.

(g) Each Grantor will promptly deliver and pledge to Secured Party each instrument evidencing any Collateral, appropriately endorsed to Secured Party provided that so long as no Event of Default under any Loan Document shall have occurred and be continuing, and not waived by Secured Party, such Grantor may retain for collection in the ordinary course any instruments received by it in the ordinary course of business and Secured Party shall, promptly upon request of such Grantor, make appropriate arrangements for making any such other instrument pledged by such Grantor available to such Grantor for purposes of presentation, collection or renewal (any such arrangement to be effected, to the extent deemed reasonably appropriate by Secured Party, against a trust receipt or other like document). Notwithstanding the foregoing or anything to the contrary in this Agreement, unless an Event of Default has occurred and is continuing and Secured Party has so requested, no Grantor shall be required to deliver and pledge to Secured Party any instrument evidencing any Collateral if the fair market value of such instrument is less than \$300,000.

(h) Each Grantor shall use reasonable commercial efforts to cause to be collected from the obligors on the Receivables, as and when due, any and all amounts owing under or on account of the Receivables (including Receivables which are delinquent, such Receivables to be collected in accordance with lawful collection procedures) and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivables, except that, unless an Event of Default has occurred and is continuing and not waived by Secured Party and Secured Party is exercising its rights under this Agreement to collect Receivables, such Grantor may allow in the ordinary course of business as adjustments to amounts owing under its Receivables (i) an extension or renewal of the time or times of payment, or settlement for less than the total unpaid balance, which such Grantor finds appropriate in accordance with sound business judgment, and (ii) a refund or credit due as a result of returned or damaged merchandise or for other valid and reasonable reasons, all in accordance with prudent industry practice and such Grantor's historical collection practices. The costs and expenses (including reasonable attorneys' fees) of collection of the Receivables, whether incurred by any Grantor or Secured Party, shall be borne by the Grantors.

(i) Upon the occurrence and during the continuance of any Event of Default not waived by Secured Party, at the request of Secured Party, each Grantor will promptly notify (and such Grantor hereby authorizes Secured Party so to notify) each account debtor or other obligor on each Receivable that such Collateral has been assigned to Secured Party under this Agreement, and that any payments due or to become due in respect of such Collateral are to be made directly to Secured Party or its designee.

(j) Upon the occurrence and during the continuance of any Event of Default, at the request of Secured Party, each Grantor will cooperate with Secured Party to allow Secured Party to obtain control of all deposit accounts, letter-of-credit rights, and electronic chattel paper of such Grantor.

(k) Each Grantor will not create any material chattel paper without placing a legend on the chattel paper reasonably acceptable to Secured Party indicating that Secured Party has a security interest in the chattel paper.

(l) Each Grantor will at all reasonable times and without interruption of such Grantor's business allow Secured Party or any Lender to inspect the Collateral, wherever located.

(m) Each Grantor will, promptly upon request, provide to Secured Party, with sufficient copies for each of the Lenders, all information and evidence Secured Party may reasonably request concerning the Collateral, and in particular the Receivables, to enable Secured Party to enforce the provisions of this Agreement.

(n) If any Grantor shall obtain an interest in any commercial tort claim with a potential value in excess of \$100,000, such Grantor shall within 30 days of obtaining such interest sign and deliver documentation acceptable to Secured Party granting a security interest under the terms and provisions of this Agreement in and to such commercial tort claim.

## **Section 5. Remedies Upon Events of Default**

### **5.01. Remedies**

(a) If any Event of Default has occurred and is continuing, Secured Party may exercise all rights and remedies of a secured party under the UCC (to the extent permitted by law, whether or not the UCC is in effect in the jurisdiction where such rights and remedies are asserted) to collect, enforce or satisfy any of the Secured Obligations then owing, whether by acceleration or otherwise, and in addition and without limiting in any way the foregoing, Secured Party may, without being required to give any notice, except as provided in this Agreement or as may be required by mandatory provisions of law (1) notify all obligors under the Related Contracts or under the Receivables to make all payments to Secured Party and apply such monies, and other cash, if any, then held by Secured Party as Collateral as specified in Section 5.03 and (2) if there shall be no such monies, or cash or if such monies or cash shall be insufficient to pay all the Secured Obligations in full, sell the Collateral or any part thereof at public or private sale, for cash, upon credit or for future delivery, and at such price or prices as Secured Party may deem satisfactory to the extent allowed by law. Without limitation of the foregoing:

(i) Secured Party may be the purchaser of any or all of the Collateral so sold at any public sale (or, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, at any private sale) and thereafter hold the same, absolutely, free from any right or claim of whatsoever kind. Each Grantor will execute and deliver such documents and take such other action as Secured Party

deems necessary or advisable so that any such sale may be made in compliance with law. Upon any such sale Secured Party shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold free and clear of any right or claim of any Grantor. Each purchaser at any such sale shall hold the Collateral so sold to it absolutely free from any claim or right of whatsoever kind, including any equity or right of redemption of any Grantor, and each Grantor, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal which such Grantor has or may have under any law now existing or hereafter adopted. The notice (if any) of such sale required by this Section 5.01 shall (A) in case of a public sale, state the time and place fixed for such sale, and (B) in the case of a private sale, state the day after which such sale may be consummated. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as Secured Party may fix in the notice of such sale, provided that Secured Party shall give each Grantor not less than ten (10) days' prior written notice of the time and place of any sale or other intended disposition of any of the Collateral, except any Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market. Each Grantor agrees that such notice constitutes "reasonable notification" and "reasonable authenticated notification" as such terms are used in Article 9 of the UCC. At any such sale the Collateral may be sold in one lot as an entirety or in separate parcels, as Secured Party may determine. Secured Party shall not be obligated to make any such sale pursuant to any such notice. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned.

(ii) In case of any sale of all or any part of the Collateral on credit or for future delivery, the Collateral so sold may be retained by Secured Party until the selling price is paid by the purchaser thereof, but Secured Party shall not incur any liability in case of the failure of such purchaser to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may again be sold upon like notice.

(iii) Secured Party may sell the Collateral without giving any warranties, express or implied, as to the Collateral. Without limiting the foregoing, Secured Party may specifically disclaim any warranties of title, merchantability, fitness for a particular purpose, and other warranties. This procedure will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

(iv) Secured Party, instead of exercising the power of sale in this Agreement conferred upon Secured Party, may proceed by a suit or suits at law or in equity to foreclose the Security Interests and sell the Collateral, or any portion thereof, under a judgment or decree of a court or courts of competent jurisdiction.

(v) Secured Party may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral.

(vi) Secured Party shall have no obligation to marshal any assets in favor of any Grantor or against or in payment of any of the Secured Obligations.

(vii) Secured Party has no obligation to attempt to satisfy the Obligations by collecting them from any other Person liable for them, and Secured Party may release, modify or waive any collateral provided by any other Person to secure any of the Secured Obligations, all without affecting Secured Party's rights against each Grantor.

(b) For the purpose of enforcing any and all rights and remedies under this Agreement, Secured Party will be entitled to (i) require each Grantor to, and such Grantor will, at such Grantor's expense, after an Event of Default, forthwith assemble all or any part of the Collateral as directed by Secured Party and make the Collateral available at a place designated by Secured Party which is, in Secured Party's opinion, reasonably convenient to Secured Party, whether at the premises of such Grantor or otherwise, (ii) to the extent permitted by applicable law and any Related Contract, warehouse agreement, or lease agreement to which any Grantor is a party or lessee, after an Event of Default, enter, with or without process of law and without breach of the peace, any premises where any of the Collateral is or may be located, and without charge or liability to Secured Party seize and remove such Collateral from such premises, (iii) after an Event of Default, have access to and use the books and records of each Grantor relating to the Collateral, and (iv) after an Event of Default, but prior to the disposition of the Collateral, store or transfer the Collateral without charge in or by means of any storage or transportation facility owned or leased by any Grantor, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner and to the extent Secured Party deems appropriate and, in connection with such preparation and disposition, use, without charge, if assignable, any Trademark, Copyright, Patent, license or technical process used by any Grantor.

5.02. Deficiency. Without limiting the obligations of each Grantor to pay the Secured Obligations, if the Proceeds of sale, collection or other realization of or upon the Collateral pursuant to Section 5.01 of this Agreement are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured Obligations, such Grantor shall remain liable for any deficiency.

5.03. Application of Proceeds. Except as otherwise expressly provided in this Agreement or as otherwise required by law, the Proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant to this Agreement, and any other cash at the time held by Secured Party shall be applied by Secured Party to the payment of the Secured Obligations in such order and manner as set forth in Section 10.02(c) of the Credit Agreement.

5.04. Related Contracts. Each Grantor hereby irrevocably authorizes and empowers Secured Party, in Secured Party's sole discretion, if an Event of Default has occurred and is continuing and not waived by Secured Party, to assert, either directly or on behalf of such Grantor, any claims such Grantor may have, from time to time, against any other party to the Related Contracts or to otherwise exercise any right or remedy of such Grantor under the Related Contracts (including the right to enforce directly against any party to a Related Contract all of such Grantor's rights thereunder, to make all demands and give all notices and make all requests required or permitted to be made by such Grantor under the Related Contracts) as Secured Party may deem proper.

5.05. Costs and Expenses. In the event that any Grantor fails to comply with the provisions of the Credit Agreement, this Agreement or any other Loan Document (after any applicable grace period expressly provided in the Credit Agreement, this Agreement or any such other Loan Document) to which such Grantor is a party, such that the value of any Collateral or the validity, perfection, rank or value of any Security Interest is thereby diminished or potentially diminished or put at risk, in the reasonable discretion of Secured Party, Secured Party may, but shall not be required to, effect such compliance on behalf of such Grantor, and such Grantor shall reimburse Secured Party for the costs thereof on demand. All insurance expenses and all expenses of protecting, storing, warehousing, appraising, insuring, handling, maintaining, and shipping the Collateral, any and all excise, property, sales, and use taxes imposed by any state, federal, or local authority on any of the Collateral, or, during the continuance of an Event of Default, in respect of periodic appraisals and inspections of the Collateral to the extent the same may be requested by Secured Party from time to time during the continuance of an Event of Default, or in respect of the sale or other disposition thereof, shall be borne and paid by the Grantors; and if the Grantors fail to promptly pay any portion thereof when due, Secured Party may, at Secured Party's

option, but shall not be required to, pay the same and charge any Grantor's account therefor, and each Grantor agrees to reimburse Secured Party therefor on demand. All sums so paid or incurred by Secured Party for any of the foregoing and any and all other sums for which any Grantor may become liable under this Agreement and all costs and expenses (including reasonable attorneys' fees, legal expenses and court costs) incurred by Secured Party in enforcing or protecting the Security Interests or any of its rights or remedies under this Agreement, shall be payable by the Grantors within 3 Business Days' of Secured Party's demand therefor, together with interest thereon until paid at the lesser of (a) the Post-Default Rate applicable to LIBOR loans, and (b) the Highest Lawful Rate.

5.06. Attorney-in-Fact. Each Grantor hereby irrevocably appoints Secured Party its true and lawful attorney, with full power of substitution, in the name of such Grantor, Secured Party, or otherwise, for the sole use and benefit of Secured Party but at the expense of such Grantor and to the extent permitted by law, to exercise, at any time and from time to time while an Event of Default has occurred and is continuing, all or any of the following powers with respect to all or any of the Collateral: (a) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due thereon or by virtue thereof, including to assert and collect all claims and assert all rights of such Grantor with respect to all Receivables and under the Related Contracts; (b) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto; (c) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof, as fully and effectively as if Secured Party were the absolute owner thereof; and (d) to extend the time of payment of any or all thereof and to make any allowance and other adjustments with reference thereto.

## **Section 6. Secured Party**

6.01. Limitation on Duty of Secured Party in Respect of Collateral. The powers conferred on Secured Party under this Agreement are solely to protect the interest of Secured Party and the Beneficiaries in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Except for reasonable care in the custody of any Collateral in Secured Party's possession and the accounting for moneys actually received by Secured Party under this Agreement, neither Secured Party nor any Beneficiaries shall have any duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in Secured Party's possession if the Collateral is accorded treatment substantially equal to that which Secured Party accords Secured Party's own property, it being understood that Secured Party shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other bailee selected by Secured Party in good faith. Further, Secured Party has no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral. Secured Party shall have no obligation to clean-up or otherwise prepare the Collateral for sale.

6.02. Concerning Secured Party. In furtherance and not in derogation of the rights, privileges and immunities of Secured Party set forth in the Credit Agreement:

(a) Secured Party is authorized to take all such action as is provided to be taken by Secured Party under this Agreement and all other action reasonably incidental thereto. As to any matters not expressly provided for in this Agreement (including the timing and methods of realization upon the Collateral), Secured Party shall act or refrain from acting in Secured Party's reasonable discretion.

(b) Secured Party shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interests in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act



on Secured Party's part under this Agreement. Secured Party shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Agreement by any Grantor.

6.03. Appointment of Agents and Attorneys-in-Fact. SECURED PARTY MAY EMPLOY AGENTS AND ATTORNEYS-IN-FACT IN CONNECTION WITH THIS AGREEMENT AND, TO THE EXTENT PERMITTED BY LAW, SHALL NOT BE RESPONSIBLE FOR THE NEGLIGENCE OR MISCONDUCT (EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF ANY SUCH AGENTS OR ATTORNEYS-IN-FACT SELECTED BY SECURED PARTY IN GOOD FAITH. Without limiting the foregoing, at any time or times, in order to comply with any legal requirement in any jurisdiction, Secured Party may appoint another bank or trust company or one or more other Persons, either to act as co-agent or co-agents, jointly with Secured Party, or to act as separate agent or agents on behalf of Secured Party with such power and authority as may be necessary for the effectual operation of the provisions of this Agreement and as may be specified in the instrument of appointment.

## Section 7. Miscellaneous

7.01. No Waiver. No failure on the part of Secured Party to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise by Secured Party of any right, power or remedy under this Agreement operate as a waiver thereof; nor shall any single or partial exercise by Secured Party of any right, power or remedy under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies in this Agreement are cumulative and are not exclusive of any remedies provided by law.

7.02. Addresses for Notices. All notices and other communications provided for under or in connection with this Agreement from one party to the other shall be in writing and in accordance with Section 12.02 of the Credit Agreement. Each Grantor or Secured Party may designate another address for the receipt of notices and other communications, provided such new designation is provided in accordance with the terms and conditions contained in the Credit Agreement.

7.03. Amendments, Etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by each Grantor and Secured Party. Any such amendment or waiver shall be binding upon Secured Party, each holder of any of the Secured Obligations and each Grantor.

7.04. Certain Documents. Except as otherwise specifically provided herein, if any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to Secured Party, the determination of such satisfaction shall be made by Secured Party or such Secured Party in its sole and exclusive judgment exercised in good faith.

7.05. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each Grantor, Secured Party and each holder of any of the Secured Obligations; provided, however, that no Grantor shall assign or transfer its rights or obligations under this Agreement without the prior written consent of Secured Party, which consent may be withheld in Secured Party's sole discretion. Any assignment in violation of this Section 7.05 shall be void and without force or effect. In the event of an assignment of all or any of the Secured Obligations, the rights under this Agreement, to the extent applicable to the indebtedness so assigned, may be transferred with such indebtedness. If an assignment is made, each Grantor shall render performance under this Agreement to the assignee. This Agreement shall be binding on each Grantor and its successors and assigns, as well as on all Persons who become bound as a grantor to this Agreement.

7.06. Marshaling of Assets. All rights to marshaling of assets of each Grantor, including any such right with respect to the Collateral, are hereby waived by such Grantor.

7.07. Severability. If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (a) the other provisions of this Agreement shall remain in full force and effect in such jurisdiction and shall be construed in favor of Secured Party in order to carry out the intentions of the parties to this Agreement as nearly as may be possible, and (b) the invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

7.08. Waivers. Each Grantor hereby expressly waives, to the extent permitted by applicable law (a) notice of the acceptance by Secured Party of this Agreement, (b) notice of the existence or creation or non-payment of all or any of the Secured Obligations, (c) presentment, demand, notice of dishonor, protest, intent to accelerate, right of offset and acceleration, (d) all diligence in collection or protection of or realization upon the Secured Obligations or any thereof, any obligation under this Agreement, or any security for or guaranty of any of the foregoing, and (e) any right such Grantor may have to require Secured Party to pursue any third party for any of the Secured Obligations.

7.09. Rescission and Releases. Each Grantor agrees that, if at any time all or any part of any payment theretofore applied by Secured Party to any of the Secured Obligations is or must be rescinded or returned by Secured Party for any reason whatsoever (including the insolvency, bankruptcy or reorganization of any Grantor or any of its affiliates), such Secured Obligations shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by Secured Party, and the security interest granted under this Agreement shall continue to be effective or be reinstated, as the case may be, as to such Secured Obligations, all as though such application by Secured Party had not been made.

7.10. Survival of Representations and Warranties. All representations and warranties contained in this Agreement or made in writing by or on behalf of each Grantor in connection with this Agreement shall survive the execution and delivery of this Agreement and repayment of the Secured Obligations. Any investigation by Secured Party shall not diminish in any respect whatsoever Secured Party's rights to rely on such representations and warranties.

7.11. Security Interest Absolute. All rights of Secured Party to the Security Interests, and all obligations of each Grantor under this Agreement, shall, to the extent permitted by law, be absolute and unconditional, irrespective of:

- (a) any lack of validity or enforceability of the Credit Agreement, the other Loan Documents or any other agreement or instrument relating thereto;
- (b) any change in the time, manner, or place of payment of, or in any other term of, all or any of the Secured Obligations or any other amendment or waiver of or any consent to any departure from the Credit Agreement or the other Loan Documents;
- (c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Secured Obligations; or
- (d) any other circumstances which might otherwise constitute a defense available to, or a discharge of, the Obligors or a third party grantor of a security interest.

7.12. Final Agreement of the Parties. THIS AGREEMENT (INCLUDING THE EXHIBITS TO THIS AGREEMENT), THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN SECURED PARTY, ON THE ONE HAND, AND THE GRANTORS AND THE OTHER OBLIGORS, ON THE OTHER HAND.

7.13. Limitation by Law. All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and that may not be effectively waived by any Grantor and to be limited to the extent necessary so that they will not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

7.14. Termination. When all Secured Obligations (other than the Specified Obligations) shall have been indefeasibly paid in full (after the termination of all commitments of Secured Party to extend credit to any Obligor pursuant to the Credit Agreement), this Agreement shall automatically terminate without any further action by or on behalf of Secured Party, the Security Interests shall be automatically released and terminated, and Secured Party shall promptly authorize each Grantor to file such instruments evidencing such release and termination as shall be commercially reasonable.

7.15. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and the parties hereto may execute this Agreement by signing any such counterpart.

7.16. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTERESTS, OR REMEDIES UNDER THIS AGREEMENT, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK.**

7.17. Additional Grantors. Each Subsidiary of Holdings that is required to become a party to this Agreement pursuant to Section 8.07(c) of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1 hereto.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed by such Grantor's authorized officer as of the day and year first above written.

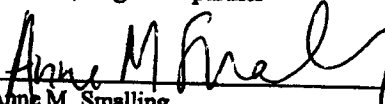
**WINDSOR QUALITY FOOD COMPANY LTD., a  
Texas limited partnership**

By: WQFCGP, LLC, its general partner

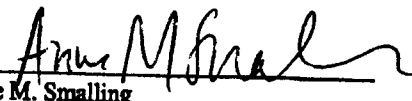
By:   
Anne M. Smalling  
Chairman

**WINDSOR QUALITY HOLDINGS LP,  
a Delaware limited partnership**

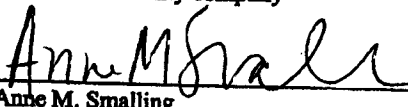
By: WFCGP Inc., its general partner

By:   
Anne M. Smalling  
Chairman

**WQFCGP, LLC, a Delaware limited liability company**

By:   
Anne M. Smalling  
Chairman

**WINDSOR SPECIALTY BRANDS LTD., LLC, a  
Delaware limited liability company**

By:   
Anne M. Smalling  
Chairman

509333-0015-10134-NY01.2434964

**SBI HOLDINGS, INC.**, a Delaware corporation

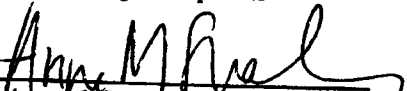
By:   
Anne M. Smalling  
Chairman

**SBIGP, LLC**, a Delaware limited liability company


By:   
Anne M. Smalling  
Chairman

**SPECIALTY BRANDS, L.P.**, a Delaware limited partnership

By: SBIGP, LLC, its general partner

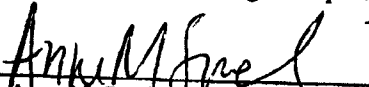
By:   
Anne M. Smalling  
Chairman

**LAMPASAS HOLDINGS, LLC**, a Delaware limited liability company

By:   
Anne M. Smalling  
Chairman

**LAMPASAS MEXICAN FOODS, L.P.**, a Texas limited partnership

By: Lampasas Holdings, LLC, its general partner

By:   
Anne M. Smalling  
Chairman

509333-0015-10134-NY01.2434964

EXHIBIT A

NOTICE ADDRESSES AND ORGANIZATIONAL IDENTIFICATION NUMBERS OF GRANTORS

<u>Grantor</u>	<u>Notice Address</u>	<u>Organizational Identification Number</u>
Windsor Quality Holdings LP	3355 West Alabama, Suite 730 Houston, Texas 77098	3889845
WQFCGP, LLC	3355 West Alabama, Suite 730 Houston, Texas 77098	3889843
Windsor Specialty Brands Ltd., LLC	3355 West Alabama, Suite 730 Houston, Texas 77098	3864005
SBI Holdings, Inc.	4200 East Concourses Dr. Ontario, California 91764	3569252
Windsor Quality Food Company Ltd.	3355 West Alabama, Suite 730 Houston, Texas 77098	0005876210
SBIGP, LLC	12112 Technology Boulevard, Suite 100 Austin, Texas 78727	3891327
Specialty Brands, L.P.	4200 East Concourses Dr. Ontario, California 91764	2100064
Lampasas Holdings, LLC	601 E. 3 <sup>rd</sup> Street Lampasas, Texas 26550	3572784
Lampasas Mexican Foods, L.P.	601 E. 3 <sup>rd</sup> Street Lampasas, Texas 26550	0012934010

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# EXHIBIT B

## DESCRIPTION OF INVESTMENT PROPERTY

### Pledged Stock:

<u>Grantor</u>	<u>Issuer</u>	<u>Class of Equity</u>	<u>Certificate No.</u>	<u>No. of Shares</u>
Windsor Quality Holdings LP	Windsor Quality Food Company Ltd.	limited partnership interest	none	112 Common Units of Quality Sausage Division of Windsor Quality Food Company Ltd. (uncertificated)  3912 Common Units of Windsor Quality Division of Windsor Quality Food Company Ltd. (uncertificated)
Windsor Quality Holdings LP	WQFCGP, LLC	limited liability company interest	none	100% limited liability company interest (uncertificated)
Windsor Quality Holdings LP	Windsor Specialty Brands Ltd., LLC	limited liability company interest	none	100% limited liability company interest (uncertificated)
WQFCGP, LLC	Windsor Quality Food Company Ltd.	general partnership interest	none	general partnership interest (uncertificated)
Windsor Specialty Brands Ltd., LLC	SBI Holdings, Inc.	common stock, \$0.01 par value	C-14	101,448.89
SBI Holdings, Inc.	Windsor Quality Food Company Ltd.	limited partnership interest	none	1000 Common Units of Specialty Brands Division of Windsor Quality Food Company Ltd. (uncertificated)

Windsor Quality Food Company Ltd.	SBIGP, LLC	limited liability company interest	none	100% limited liability company interest (uncertificated)
Windsor Quality Food Company Ltd.	Specialty Brands, L.P.	limited partnership interest	none	100% limited partnership interest (uncertificated)
SBIGP, LLC	Specialty Brands, L.P.	general partnership interest	none	general partnership interest (uncertificated)
Specialty Brands, L.P.	Lampasas Mexican Foods, L.P.	limited partnership interest	none	100% limited partnership interest (uncertificated)
Specialty Brands, L.P.	Lampasas Holdings, LLC	limited liability company interest	none	100% limited liability company interest (uncertificated)
Lampasas Holdings, LLC	Lampasas Mexican Foods, L.P.	general partnership interest	none	general partnership interest (uncertificated)

**Pledged Notes:**

None



EXHIBIT C

UCC-1 FINANCING STATEMENT FILINGS

<u>Grantor</u>	<u>Jurisdiction of Filing</u>
Windsor Quality Holdings LP	Delaware Secretary of State
WQFCGP, LLC	Delaware Secretary of State
Windsor Specialty Brands Ltd., LLC	Delaware Secretary of State
SBI Holdings, Inc.	Delaware Secretary of State
Windsor Quality Food Company Ltd.	Texas Secretary of State
SBIGP, LLC	Delaware Secretary of State
Specialty Brands, L.P.	Delaware Secretary of State
Lampasas Holdings, LLC	Delaware Secretary of State
Lampasas Mexican Foods, L.P.	Texas Secretary of State

EXHIBIT D

LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE

<u>Grantor</u>	<u>Jurisdiction of Organization</u>	<u>Location of Chief Executive Office</u>
Windsor Quality Food Company Ltd.	Texas	3355 West Alabama, Suite 730, Houston, Texas 77098
Windsor Quality Holdings LP	Delaware	3355 West Alabama, Suite 730, Houston, Texas 77098
Windsor Specialty Brands Ltd., LLC	Delaware	3355 West Alabama, Suite 730, Houston, Texas 77098
WQFCGP, LLC	Delaware	3355 West Alabama, Suite 730, Houston, Texas 77098
SBI Holdings, Inc.	Delaware	4920 East Concourses Dr. Ontario, California 91764
Specialty Brands, L.P.	Delaware	4920 East Concourses Dr. Ontario, California 91764
SBIGP, LLC	Delaware	12112 Technology Boulevard, Suite 100, Austin, Texas 78727
Lampasas Holdings, LLC	Delaware	601 E. 3 <sup>rd</sup> Street Lampasas, Texas 26550
Lampasas Mexican Foods, L.P.	Texas	601 E. 3 <sup>rd</sup> Street Lampasas, Texas 26550

**EXHIBIT E**

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None.

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**TRADEMARK**  
**REEL: 002998 FRAME: 0966**

**EXHIBIT F**

**PATENTS**

None.

DAL02:419907

## TRADEMARKS

## U.S. TRADEMARKS

Title or Mark	Registration No.	Registration Date
<b>Windsor Trademarks</b>		
Bernardi .....	2,110,455	11/04/1997
Bernardi Frozen Italian Specialties & Design .....	2,111,859	11/11/1997
Bernardi Frozen Italian Specialties & Design (Banner) .....	1,406,976	08/26/1986
Cripple Creek.....	2,045,672	03/18/1997
Cripple Creek Bar-B-Que Brand & Design.....	2,068,831	06/10/1997
Golden Tiger & Design .....	1,820,326	02/08/1994
Misc. Design (Chili Man).....	1,703,526	07/28/1992
Mona's .....	1,091,510	05/16/1978
Mona's & Design (Banner) .....	2,026,741	12/31/1996
Mona's & Design (In Banner) .....	1,409,705	09/16/1986
Mona's & Design (In Banner) .....	1,403,359	07/29/1986
Mona's Pasta Café.....	2,234,418	03/23/1999
Senor Tiger .....	2,148,785	04/07/1998
The Original Chili Bowl.....	1,493,335	06/21/1988
Traditional American.....	1,775,996	06/08/1993
Windsor Frozen Foods & Design .....	2,647,667	11/12/2002
<b>Specialty Brands Trademarks</b>		
Butcher Boy.....	2,230,869	3/9/1999
Bar-B-Q-Snak .....	1,125,687	10/2/1979
BRC .....	2,380,023	8/22/2000
Butcher Boy.....	2,226,325	2/23/1999
Butcher Boy & Design .....	806,433	3/29/1966
Cisco's.....	927,829	1/25/1972
Design of Mexican Boy.....	1,261,065	12/13/1983
fff & Design.....	788,236	4/13/1965
Fred's Pak-2 .....	1,290,352	8/14/1984
Fred's For Starters.....	2,540,959	2/19/2002
Get A Grip On Taste.....	2,242,867	5/4/1999
Great Food With An Accent! .....	2,636,034	10/15/2002
Hotzzarella.....	2,815,624	2/17/2004
Imperial Kitchens .....	1,326,248	3/19/1985
Jose Ole.....	2,510,986	11/20/2001
Jose Ole & Design .....	2,628,945	10/1/2002
Little Juan .....	2,334,467	3/28/2000
Little Juan & Design.....	1,593,266	4/24/1990
Little Juan & Design.....	866,509	3/11/69
M & Design .....	897,472	8/25/1970
M.A.R.Q.U.E.Z. & Des .....	1,799,560	10/19/1993
Marquez.....	2,228,882	3/2/1999
Mexi-Minis .....	2,427,450	2/6/2001

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<b>Title or Mark</b>	<b>Registration No.</b>	<b>Registration Date</b>
Mextreme & Design .....	2,304,740	12/28/1999
Mextreme.....	2,304,732	12/28/1999
Pacific Tortilla Kitchen.....	2,133,201	1/27/1998
Pacific Tortilla Kitchen.....	2,228,939	3/2/1999
Pizzaquitos.....	2,179,393	8/4/1998
Pizza-Snak .....	1,133,424	4/15/1980
Posada.....	2,230,826	3/9/1999
Posada & Design .....	1,293,083	9/4/1984
Posada & Design .....	1,374,956	12/10/1985
Posada & Design .....	1,656,388	9/10/1991
Posada Deli-Fest.....	1,776,006	6/8/1993
PTK.....	2,192,041	9/29/1998
PTK & Design .....	2,193,374	10/6/1998
Rio Posada.....	2,143,228	3/10/1998
Rotanelli's .....	2,142,920	3/10/1998
Rotanelli's Originale .....	2,187,412	9/8/1998
Rotanelli's Originale .....	2,228,938	3/2/1999
Rotanelli's Signatura.....	2,187,417	9/8/1998
Rotanelli's Valore .....	1,662,620	10/29/1991
Taco-Snak.....	1,090,116	4/25/1978
The Great Foldini.....	2,417,812	1/2/2001
Tortilla Crispers.....	2,841,229	5/11/2004

#### **PENDING TRADEMARK APPLICATIONS**

<b>Title or Mark</b>	<b>Application No.</b>	<b>Application Date</b>
<b>Windsor Trademark Applications</b>		
Garden Trio Tortellini .....	78/177373	10/23/2002
Traditions by Bernardi A Taste of Authentic Italy .....	78/198168	12/27/2002
E-Z Eats .....	78-253406	5/22/2003
Emerald Garden .....	78/264496	6/19/2002
Firecrackers .....	76-532318	7/25/2003
<b>Specialty Brands Trademark Applications</b>		
Fiesta Bites .....	75-887481	1/5/2000
Fiesta Minis .....	76-087547	7/10/2000
Mac & Cheese Bites .....	76-439158	8/8/2002
Mac & Cheese Bites & Design.....	76-439159	8/8/2002
Golden Value.....	76-562936	11/17/2003
Grillquito .....	76-558150	10/24/2003
Big N' Spicy.....	76-570881	1/16/2004
Taste the Fiesta .....	76-570883	1/16/2004
Fire-Grilled Fiesta.....	76-572690	1/26/2004
Thaitilla.....	76-581801	3/15/2004
Blazin' Fire Rings .....	76-582268	3/18/2004
Jose Ole Texas Taquitos .....	76-604651	7/29/2004
Overstuffed Texas Taquito & Design.....	76-608586	8/23/2004
Taste the Fiesta! Jose Ole & Design.....	76-585238	04/05/2004

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# STATE TRADEMARKS

<u>Title or Mark</u>	<u>State</u>	<u>Registration No.</u>	<u>Registration Date</u>
<b>Windsor State Trademarks</b>			
Cripple Creek	KS	00499563	04/10/1985
Cripple Creek	OK	28402	10/21/1996
Cripple Creek	TX	56121	10/10/1996

# FOREIGN TRADEMARKS

<u>Title or Mark</u>	<u>Country</u>	<u>Registration No.</u>	<u>Registration Date</u>
<b>Windsor Foreign Trademarks</b>			
Bernardi	Canada	520139	11/30/1999
Bernardi & Design	Mexico	477705	10/24/1994
Cripple Creek	Canada	408876	02/26/1993
Cripple Creek	Mexico	477704	10/24/1994
Golden Tiger & Design	Mexico	477703	10/24/1994
Mona's	Japan	4338635	11/26/1999
The Original Chili Bowl	Canada	408875	02/26/1993
The Original Chili Bowl	Mexico	485562	10/24/1994
<b>Specialty Brands Foreign Trademarks</b>			
Posada	Ecuador	5744-00	8/29/2000
Posada	Costa Rica	119,168	3/23/2000
Posada	Dominican Republic	104,664	5/30/1999
Posada	Dominican Republic	104,511	5/30/1999
Posada	Dominican Republic	104/453	5/30/1999
Jose Ole	Dominican Republic	141,380	5/30/2004
Jose Ole	Puerto Rico	61,187	11/25/200

EXHIBIT G-2

**TRADEMARK LICENSES**

1. That certain Exclusive Trademark License Agreement by and between Keebler Company, a Delaware corporation, and Windsor Quality Food Company Ltd. with respect to the Trademark, Elfin Loaves, U.S. Registration Number 1,520,021.

2. That certain Non-Exclusive Trademark License Agreement dated effective as of January 9, 1996, by and between Keebler Company, a Delaware corporation, and Windsor Quality Food Company Ltd. with respect to the following Trademarks: Keebler (word mark), U.S. Registration Numbers 1,713,946 and 221,594; Keebler (word mark), U.S. Registration Number 1,310,290; Keebler Hollow Tree Logo, U.S. Registration Number 1,274,495; Keebler Hollow Tree Logo, U.S. Registration Number 1,275,391; and Hollow Tree Design, U.S. Registration Number 1,343,031.



**EXHIBIT H**

**COMMERCIAL TORT CLAIMS**

None.

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